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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

REDACTED - FOR PUBLIC INSPECTION

Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, DC 20554

Re: *Consolidated Application of General Motors Corporation, Hughes Electronics Corporation, and The News Corporation Limited for Authority to Transfer Control (MB Docket No. 03-124)*

Dear Ms. Dortch:

This letter (the "Interrogatory Response") sets forth the interrogatory responses of Hughes Electronics Corporation ("Hughes") and General Motors Corporation ("GM") (collectively, the "Hughes Respondents" or "Respondents") to the Commission's Initial Information and Document Request dated July 8, 2003 (the "Request"). The Hughes Respondents are providing documents responsive to the Request separately.

Pursuant to the protective order released on May 22, 2003 and the second protective order released on July 22, 2003 in this proceeding, certain confidential and highly confidential information (which is highlighted) has been redacted from the public version of this filing, which has been filed with the Secretary. The material requested includes some of the Respondents' most proprietary and competitively sensitive information. In classifying the voluminous materials requested by the Commission as confidential or public, the Respondents

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have made intense good faith efforts to provide information for the public while also taking into account these sensitivities.

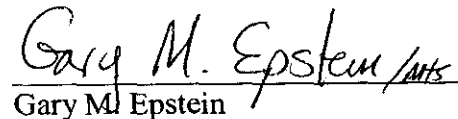
The Hughes Respondents' responses to the Request are set forth below under a restatement of the relevant interrogatory. Narrative answers herein are supplemented by attached paper and electronic schedules where noted. An index of those schedules is attached hereto as Exhibit A.

If you have any questions regarding this matter, please contact the undersigned:

Respectfully submitted,



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Enclosures:

cc: Maria Glauberman
Linda Senecal

HUGHES ELECTRONICS CORPORATION'S RESPONSE TO INITIAL INFORMATION AND DOCUMENT REQUEST

Set forth below are the responses of Hughes Electronics Corporation ("Hughes") to those aspects of the Commission's Initial information and Document Request, dated July 8, 2003 (the "Request") addressed to Hughes. The responses are generally provided using the data and level of detail that Hughes maintains in the ordinary course of its business. In addition, to the extent information sought by the Commission was incomplete or unavailable on this basis, Hughes has requested responsive information from individuals within the company whom it believed might have relevant knowledge. Responses to the Interrogatories and relevant Schedules are provided in the form requested by the FCC to the extent practicable. Although the FCC requested that responses to Interrogatories III.1.a through III.1.m be provided electronically as well as in print, Hughes has provided the response to III.1.g only electronically because hard copy would be in excess of 1,000 pages. If the Commission nevertheless would like the response in hard copy, the applicants will supply it. In conformance with FCC's request, Interrogatories III.2.a. through III.2.f have only been provided electronically.

* * *

I. Corporate and Other Documents

- 1. Please file any and all amendments to any Transaction Document.**
- 2. With reference to the draft Certificate of Incorporation and By-Laws of Hughes filed with the SEC on June 5, 2003, please state the objective criteria that the Audit Committee would be expected to use in determining whether a transaction is to be considered a "related party transaction."**
- 3. What criteria will be used in selecting independent directors for appointment to ensure that they have sufficient expertise to pass on "related party contracts"?**
- 4. Will the members of the Audit Committee serve for fixed terms and be removable during such term only for gross misconduct?**
- 5. What provisions are included in the Hughes' corporate governance documents to ensure that the Audit Committee is required to review all related party transactions?**
- 6. Please state precisely how the Sarbanes-Oxley Act will protect consumers from alleged controlling shareholder self-dealing.**
- 7. What are the rules for the functioning of the Audit Committee?**

8. How will the Applicants ensure that independent directors are neither controlled nor influenced by NewsCorp, its subsidiaries and their respective officers, managers, directors, employees, and agents?
9. Please explain how the by-laws operate to make it “somewhat cumbersome” for NewsCorp to directly nominate candidates for election as directors. Please explain any differences between the tendered explanation and the procedure used by stockholders generally to nominate candidates for election to a board of directors of a Delaware corporation. See General Motors Corporation, Hughes Electronics Corporation, and The News Corporation Limited, Opposition to Petitions to Deny and Reply Comments, Affidavit of Lawrence A. Hamermesh, July 1, 2003 (“Hamermesh Affidavit”) ¶ 8(c).
10. Please explain the phrase “dramatically diminished ability,” referenced in the Hamermesh Affidavit at paragraph 9.
11. Please explain, with the corporate governance arrangements applicable to Hughes, the steps a shareholder would be required to take in order to remove a director. See Hamermesh Affidavit ¶ 9.

Response to Interrogatory I.1-11:

The Hughes Respondents incorporate by reference The News Corporation Limited’s (“News Corp.’s”) response to Interrogatory I, which News Corp. filed in its Interrogatory Response on July 28, 2003.

II. Discovery Requests for The News Corporation

The Hughes Respondents incorporate by reference News Corp. response to Interrogatory II, which News Corp. filed in its Interrogatory Response on July 28, 2003.

III. Discovery Requests for Hughes Electronics Corporation

1. Identify for each DMA in which Hughes provides MVPD service for each quarter from January 1, 2000 to the present:
 - a. the number of households for which the service is available,
 - b. total subscribers for Hughes and each MVPD competitor,

- c. the packages of video programming carried, the number of channels in each package, and video programming carried on an a la carte basis,
- d. the networks carried on each programming package and on an a la carte basis, and the date on which the network began being carried,
- e. networks that, at some time, were carried, but are no longer carried, the date the network ceased to be carried, and the reason for elimination,
- f. call sign, affiliation, and date of introduction of each local channel carried,
- g. number of subscribers for each programming package and a la carte channel offering, including the number of subscribers for local channels,
- h. the monthly recurring price for each programming package and a la carte channel offering assuming the consumer does not take advantage of any promotional offerings,
- i. non-recurring charges, assuming the consumer does not take advantage of any promotional offerings, categorized by:
 - 1) service initiation or termination, including (but not limited to) equipment installation or removal,
 - 2) equipment purchase,
 - 3) equipment rental,
 - 4) service contracts,
 - 5) other non-recurring charges (include a brief description).
- j. provide information on all promotional prices, coupons, and all other forms of discounts. The time period for which promotional prices, coupons, and discounts are in effect should be specified, as should any specific eligibility requirements (including minimum subscription periods, minimum purchases, geographic restrictions, and “new customer only” restrictions).

- k. total overall revenues and total revenue attributed to each programming package and a la carte channel offering categorized by 1) subscriber fees, 2) advertising fees, 3) other (include a brief description),
- l. actual subscriber churn rate and number of subscribers lost, broken down by the competitor to whom the customer was lost,
- m. average variable cost and average total cost to the company of acquiring each new subscriber categorized by:
 - 1) equipment and installation,
 - 2) marketing,
 - 3) activation,
 - 4) other (include a brief description).

Response to Interrogatory III.1.a:

DIRECTV offers service throughout the United States, including Alaska and Hawaii. In each DMA, however, some households may not be able to receive DIRECTV service because: (i) they do not have a television or (ii) there is no line of sight between the household and a DIRECTV satellite due to tall buildings, trees surrounding the residence, or other obstructions.

Schedule III.1.a provides total number of television households (“TVHHs”) by DMA as requested by Interrogatory III.1.a. Information in Schedule III.1.a is not presented by quarter, as requested, because Nielsen Media Research (“Nielsen”) – the only source that provides the number of TVHHs by DMA – updates these numbers annually every September. Reports in Schedule III.1.a are dated according to the year following issuance. The data reflect total number of TVHHs for the period spanning September of the year of issuance to September

of the following year. For example, the report dated 2001 was issued in September 2000 and reflects the total number of TVHHs for the period spanning September 2000 to September 2001.

DIRECTV cannot estimate the number of TVHHs that do not have a line of sight to the DIRECTV satellites. Therefore, the information contained in Schedule III.1.a may overstate slightly the number of households to which DIRECTV can provide service. It is provided both electronically and in print.

Data for the period ending September 2000 are not included in Schedule III.1.a. As agreed, Hughes is only providing data for 2000 that were submitted to the FCC in the Hughes-EchoStar proceeding in response to the FCC's Initial Information and Document Request dated February 4, 2002 (the "Hughes-EchoStar Request"). In that proceeding, Hughes did not provide the FCC with the number of households for which MVPD service was available.

Response to Interrogatory III.1.b:

Schedule III.1.b(i), provided electronically and in print, provides the number of DIRECTV residential subscribers by quarter and DMA from the first quarter of 2001 through the second quarter of 2003. The numbers therein reflect DIRECTV residential subscribers as of the end of each quarter. The figures in Schedule III.1.b(i) reflect total residential subscribers for the DMA as a whole, including both DIRECTV and NRTC.

Schedule III.1.b(ii)¹ provides the number of DIRECTV subscribers by DMA for year-end 2000. As agreed, for the year 2000, Hughes is only providing information that was

¹ Schedule III.1.b(ii) is derived from data previously provided to the FCC in Schedule V.A. attached to the interrogatory responses dated March 21, 2002 and submitted by Hughes

previously supplied to the FCC in the Hughes-EchoStar proceeding. Data for 2000 are provided by DMA and year because, in the Hughes-EchoStar proceeding, Hughes submitted subscriber data by DMA only by year. Schedule III.1.b(ii) is provided electronically and in print.

Hughes does not maintain or have access to the number of households per DMA that subscribe to its MVPD competitors.

Response to Interrogatory III.1.c:

DIRECTV's programming packages² do not vary from DMA to DMA in the continental United States and Alaska although, depending on the DMA, subscribers may have access to local programming. Separate programming packages, however, exist for Hawaii. Schedule III.1.c(i) sets forth, as of the end of each quarter for the period from the fourth quarter of 2000 through the second quarter of 2003, (i) the video programming packages, (ii) the number of channels in each package, (iii) the a la carte programming, (iv) the networks carried in each programming package, and (v) the standard monthly recurring price for each programming package and a la carte channel offering for the programming available in the continental United States, Alaska and Hawaii. Programming in Hawaii was first offered in September 2000 after which no changes were made until August 2002. A separate report for programming in Hawaii as of September 2000 precedes the report for the fourth quarter of 2000.

Electronics Corporation and General Motors Corporation in response to the Commission's Initial Information and Document Request dated February 4, 2002 in CS Docket No. 01-348.

² The answer to Interrogatory III.1.c applies to DIRECTV customers only; NRTC and Pegasus customers may have different programming available.

The a la carte programming is listed under each programming package title. Where no price is listed for a la carte programming, the programming is not available to the subscriber of that programming package.

Schedule III.1.c(ii)³ provides programming package information requested by Interrogatory III.1.c for the time period from December 1999 through January 31, 2002. The information in Schedule III.1.c(ii) is not broken out by quarter but instead provides new information only when there was a major change in programming package offerings.

DIRECTV derived the information in these schedules based on public releases regarding its programming package offerings and from records maintained by the company. It is possible that minor changes in programming offerings not reflected in DIRECTV's public releases are not reflected in the schedules. Both schedules are provided electronically and in print.

Response to Interrogatory III.1.d:

See response to Interrogatory III.1.c above. For networks carried on the Local Channels Package, see Schedule III.1.d at page 2. It is provided both electronically and in print.

See Schedule III.1.f. for the launch dates of local channel stations. Hughes does not have the precise launch dates for each of the cable networks; however, footnotes to Schedule

³ Schedule III.1.c(ii) was previously submitted to the FCC as Schedule VI.A.1(a) attached to the interrogatory responses dated March 21, 2002 and submitted by Hughes Electronics Corporation and General Motors Corporation in response to the Commission's Initial Information and Document Request dated February 4, 2002 in CS Docket No. 01-348.

III.1.c.(i) specify changes to, as well as additions and deletions of, networks in DIRECTV packages within each relevant time period.

Response to Interrogatory III.1.e:

DIRECTV ceased carrying WCVW, a PBS station, due to the station's loss of its transmitter. While DIRECTV's records do not reflect the duration of station WCVW's transmitter problem, or the length of time that station WCVW's transmitter problem kept it off-air, DIRECTV removed WCVW from the program guide on June 25, 2003. DIRECTV currently provides PBS service to Richmond, VA through the carriage of station WCVE. This is the only local into local station of which DIRECTV is aware that it has dropped.

Since January 1, 2000, DIRECTV has stopped carrying the following cable networks:

Network	Date Network Ceased to be Carried	Reason Why Network Ceased to be Carried
CNN/SI	May 15, 2002	The network went dark.
Canal di Tiempo	December 30, 2002	The network went dark.
All News Channel	September 30, 2002	The network went dark.
Starnet	February 25, 2002	Starnet terminated its contract with DIRECTV.
Channel J	November 23, 2001	The contract between Channel J and DIRECTV expired.

Response to Interrogatory III.1.f:

Schedule III.1.f sets forth by DMA the call sign, affiliation, and date of introduction of each local channel station carried by DIRECTV. For each DMA, the date for the earliest station is also the date on which local channel service was launched into that DMA. Schedule III.1.f is provided both electronically and in print.

Response to Interrogatory III.1.g:

Schedule III.1.g(i) sets forth, by quarter and DMA, the number of active residential DIRECTV subscribers. Schedule III.1.g(i) provides totals for all combinations of programming packages, a la carte services, and local channels for the period from January 2001 through June 2003. Schedule III.1.g(ii) explains how the data are presented and provides a legend for abbreviations used in Schedule III.1.g(i). Both schedules are provided electronically under separate cover. Schedule III.1.g(ii) is provided in print, but Schedule III.1.g(i) is not due to the size of the file. The data sources for Schedule III.1.g(i) are more robust for the years 2002 and 2003. Therefore the information in the schedule for the time period prior to January 2002 may be less accurate than that provided for 2002 and 2003.

In addition to sorting data by quarter and DMA, the reports classify data by primary owner (*i.e.*, DIRECTV and NRTC). DIRECTV cannot verify the accuracy of the NRTC numbers. Both organizations use different codes in the billing system, and NRTC may have access to information that DIRECTV does not. For fully accurate information on NRTC customers, DIRECTV respectfully submits that NRTC is the best source for that information.

Schedule III.1.g(iii)⁴ sets forth the annual number of active residential subscribers for programming packages for 1999, 2000 and 2001. As agreed, Hughes is only providing data for 2000 that can be derived from its submissions to the FCC in the Hughes-EchoStar proceeding. In the Hughes-EchoStar proceeding, Hughes submitted the total number of subscribers for programming packages only by year, not by quarter or DMA; therefore, subscriber data for 2000 are provided only by year. Schedule III.1.g(iii) is provided electronically and in print.

Response to Interrogatory III.1.h:

See response to Interrogatory III.1.c. Prior to February 2002, DIRECTV did not bundle its programming packages with Local Channel services. Beginning February 2002, for customers in those markets where DIRECTV provided Local Channel service, DIRECTV offered discounted bundles for two of their programming packages, namely TOTAL CHOICE PLUS[®] and TOTAL CHOICE PREMIER[®], when that customer also subscribed to the Local Channel service. The table below illustrates how the discount was applied when DIRECTV introduced its bundled packages in those DMAs where local channels were available on February 1, 2002.

⁴ Schedule III.1.g(iii) was previously submitted to the FCC as Schedule V.B. attached to the interrogatory responses dated March 21, 2002 and submitted by Hughes Electronics Corporation and General Motors Corporation in response to the Commission's Initial Information and Document Request dated February 4, 2002 in CS Docket No. 01-348.

Monthly Prices Effective February 1, 2002

Package Name	Package Price	Bundled Package Price	Discount
Total Choice Plus	\$35.99	N/A	N/A
Local Channels	\$6.00	N/A	N/A
Total Choice Plus w/Locals	N/A	\$39.99 (\$35.99 + \$4.00)	\$2.00
Total Choice Premier	\$81.99	N/A	N/A
Total Choice Premier w/Locals	N/A	\$85.99 (\$81.99 + \$4.00)	\$2.00

In addition, Schedule III.1.d at page 1 shows that, since March 18, 2003, subscribers of TOTAL CHOICE® for whom Local Channel service is available may purchase it for a discounted price of \$5.00. TOTAL CHOICE PLUS® and TOTAL CHOICE PREMIER® customers may purchase Local Channel service for an additional \$2.00.

Response to Interrogatory III.1.i:

1) Schedule III.1.i(i) sets forth various non-recurring and recurring charges charged by DIRECTV, including a service termination fee of up to \$15.00.⁵ DIRECTV does not directly charge customers for the installation of the DIRECTV System. The DIRECTV Home Services Network contracts with a network of installers to provide such services. DIRECTV

⁵ Information in Schedule III.1.i(i) is not provided by DMA because prices for non-recurring charges are set nationally, not by DMA. Also, the data provided in Schedule III.1.i(i) are not provided by quarter, as requested; however, the Schedule includes pricing information from 2000 to the present and tracks changes in pricing for all listed recurring and non-recurring charges during the relevant time period.

pays an average price per "standard" installation to such installers. [REDACTED]. Schedule III.1.i(i) is provided electronically and in print.

A "standard" installation is for one DIRECTV System that includes the satellite outdoor unit or dish and one receiver. There may be additional charges for the installation of additional receivers, depending upon whether the national promotion in place at the time included more than one receiver. Extra charges also accrue for custom work. DIRECTV retailers and contractors determine their own prices for equipment and installation.

The vast majority of consumers obtain equipment necessary for receiving DIRECTV programming from independent retailers. Installations of that equipment are generally performed by the independent retailers and/or contractors of their choosing.

2) Customers purchasing equipment through DIRECTV's direct sales channel do so in response to a DIRECTV promotional offering. The pricing for equipment and/or installation is dependent upon the promotion in place at any particular time. See Response to Interrogatory III.1.j. and Schedules III.1.j(i)-(iv) for information on DIRECTV promotions.

3) Only a small percentage of DIRECTV subscribers lease equipment. Under DIRECTV's current business model, subscribers in the vast majority of cases purchase the equipment that is necessary to view DIRECTV programming. Most of the subscribers who do lease are former Primestar subscribers who converted to DIRECTV in 1999 and throughout 2000. They rent equipment under a Converted Primestar Rental Customers account type. Other current subscribers lease equipment under the DIRECTV Lease Plan account type. DIRECTV began a trial High Definition ("HD") lease program in late July 2003. The following is a

summary of what was submitted last year for the two aforementioned lease programs and a summary of the new HD lease program:

A. DIRECTV Lease Plan. This plan applies only to multiple room options on the following terms:

- One \$7.99 whole house monthly rental fee for equipment (satellite outdoor unit, receiver, and remote control);
- Minimum package requirement of TOTAL CHOICE®;
- 12-month commitment at TOTAL CHOICE® level or higher;
- Installation included for the first set-top box; \$45.00 to install additional outlet (no receiver) at the time of initial install; \$95.00 to install additional outlet (no receiver) on separate trip; and \$50.00 for each additional receiver after the second one;
- Free repair service calls/equipment replacement per agreement; and
- Other applicable fees:
 - i. \$50.00 retrieval fee;
 - ii. \$240.00 early lease/programming termination fee (prorated over 12-month term based on the timing of termination); and
 - iii. \$150 lost/non-returned equipment fee per each DIRECTV system receiver unit (additional charge for non-returned access card).

B. Converted Primestar Rental Customers. This plan has been converted to terms identical to those offered by Primestar as follows:

- Monthly fees range from \$3.00 to \$10.00;

- Installation included for the first set-top box; \$45.00 to install additional outlet (no receiver) at the time of initial install; \$95.00 to install additional outlet (no receiver) on separate trip; and \$50.00 for each additional receiver after the second one;
- Free repair service calls/equipment replacement per agreement; and
- \$50 retrieval fee.

C. High Definition Lease.

- Monthly fee of \$10 for up to 4 set-top boxes;
- Annual commitment to a TOTAL CHOICE[®] programming package and the HD tier set;
- Installation included for the HD set-top box for \$99; each additional set-top box costs \$49 to install;
- May lease 1 HD set-top box and up to 3 standard set-top boxes;
- Free repair service calls/equipment replacement per agreement; and
- Other applicable fees:
 - i \$240 early lease/programming termination fee; and
 - ii \$250 lost/non-returned equipment fee per HD DIRECTV system receiver unit and \$150 for each standard DIRECTV system receiver unit.

4) Schedules III.1.i(iv)(A)-(C), provided electronically and in print, contain copies of the DIRECTV agreements, the terms of which include certain non-recurring charges. Schedules III.1.i(iv)(A) and (B) contain DIRECTV Customer Agreements in use from October 1999 to August 2001 and from September 2001 to the present, respectively. Specific non-

recurring charges are enumerated in both agreements under the section pertaining to Administrative Fees: section 2(c) of the first agreement and section 2.c. of the second agreement. Non-recurring charges in the second agreement are bolded. Most of the charges contained in both are also included in Schedule III.1.i(i).

Schedule III.1.i(iv)(C) contains a DIRECTV Service Coverage agreement for the purchase of the DIRECTV Protection Plan. The contract provides that a cancellation fee of \$10 is payable upon early cancellation of the Protection Plan. Page 2 of the agreement carves out various modifications to the cancellation-fee provision for residents of California, Oklahoma, Florida and Illinois.

5) Schedules III.1.i(i) and III.1.i(v) set forth various other non-recurring charges that are currently charged by DIRECTV. Schedule III.1.i(i) includes pricing information from 2000 to the present and tracks changes in pricing for all listed non-recurring charges during the relevant time period. Schedule III.1.i(v) sets forth information for non-recurring charges associated with the Mover's Program. A brief explanation of the program is followed by a table showing amounts charged to customers who have relocated for the installation of a new outdoor unit and necessary wiring and for connecting the receivers. The pricing schedule provides discounted rates to customers who, at the relocation installation, make an annual commitment to subscribe to a TOTAL CHOICE® package or higher. Schedule III.1.i(v) tracks prices associated with the Mover's Program from its inception in July 2000 to the present. It is provided electronically and in print.

Response to Interrogatory III.1.i:

Schedules III.1.j(i)-(iv), provided electronically and in print, set forth DIRECTV's various promotional offerings from 2000 to the present according to four separate categories: (i) DIRECTV National Offers, (ii) Regional Activities, (iii) Local Channel Launch, Independent Dealer Offers and National Account Offers, (iv) and Rapid Response Efforts. The data in Schedule III.1.j(i) pertaining to DIRECTV National Offers is organized by year. Offerings are listed in chronological order with a brief description of the offer and requirements for eligibility. Data in Schedule III.1.j(i) span November 11, 1999 to February 28, 2004.

Data regarding Regional Activities appears in Schedule III.1.j(ii) by region. Schedule III.1.j(ii) lists by name each promotion, the participating dealer(s), a brief description of the offer and its terms, the market in which the promotion applies, and the time frame for the promotion. Data in Schedule III.1.j(ii) span February 7, 2000 to October 2, 2003.

Schedule III.1.j(iii) provides data for various types of promotions such as Local Channel Launch and Independent Dealer Offers. For those two categories, each promotion is listed by name. In addition, the Schedule provides the time frame, a brief description of the offer, a list of markets in which the offer was good and eligibility requirements. Schedule III.1.j(iii) also provides data regarding National Account Offers but in a slightly different format. For this category, the Schedule provides the name of the promotion, the participating dealer(s), a brief description of the offer and its terms, and the time frame. Data in Schedule III.1.j(iii) span January 31, 2000 to December 2003.

Schedule III.1.j(iv) pertains to Rapid Response promotions. Information therein is provided according to promotion name, participating dealers, a brief description of the offer,

the markets in which the offer was good, and the time frame. Data in Schedule III.1.j(iv) span March 3, 2000 to July 26, 2003.

Response to Interrogatory III.1.k:

Schedule III.1.k sets forth monthly DIRECTV total revenue by programming package and by quarter from the first quarter 2000 to the second quarter of 2003.⁶ The data are not provided by DMA or state because Hughes does not track revenue by DMA or state in its ordinary course of business. Schedule III.1.k details DIRECTV revenues according to the following categories:

- Subscription revenue – includes revenue derived from programming packages;
- Other Customer Revenue – includes primarily sports, commercial, and pay-per-view events and movies along with certain premium revenues from NRTC customers, and adult and subscriber credits;
- Miscellaneous Customer Revenue – primarily fees for additional receivers, the Protection Plan, late fees, disconnect fees, equipment rentals and paper guides;
- NRTC Revenue Share and Fees – fees and revenue share paid to DIRECTV from NRTC;

⁶ DIRECTV's fiscal year is divided into four quarters ending in March, June, September and December.

- On-Air Advertising Sales – revenue received from third parties for showing their advertising spots on DIRECTV's cable network avails;⁷ and
- Other Revenue – primarily conditional access card sales and non-consumer revenue.

Schedule III.1.k is provided electronically and in print.

Response to Interrogatory III.1.1:

Schedule III.1.1.(i) reflects the quarterly net disconnects and the percentage of active viewer disconnects ("AVD") for DIRECTV by DMA from the first quarter of 2001 through the second quarter of 2003. [REDACTED]. A further explanation of "churn" vs. "AVD" is attached as Schedule III.1.1.(ii).

To the extent that the AVD numbers incorporate information about NRTC subscribers, the calculations are based solely on the information available to DIRECTV and on the standard "churn" assumptions that DIRECTV applies to its own data. NRTC may have information that is not available to DIRECTV and calculate "churn" based on different assumptions.

The average annual monthly churn on a national-level for year-end 2000 was 1.6%. As agreed, Hughes is only providing data for 2000 that were submitted to the FCC in the

⁷ "Avails" are 30 second or 60 second advertisement spots, a certain number of which networks provide to distributors, whether cable or satellite. The distributor, *i.e.*, the cable or satellite provider, then sells the spots to advertisers. Cable providers generally sell avails to local advertisers, while satellite providers generally sell avails to advertisers who wish to target a national audience.

Hughes-EchoStar proceeding. In that proceeding, Hughes provided only the annual monthly churn rate for year-end, except for certain back-up churn data used to support the economist analysis in the Hughes-EchoStar proceeding.

Customers who request disconnection are not obligated to identify the MVPD competitor, if any, to which they intend to switch. DIRECTV does not collect this kind of information for disconnected customers in a systematic manner.

Prior to 2002, DIRECTV conducted surveys in which the company called a random sample of customers (both voluntary and involuntary) who no longer subscribe to DIRECTV. This survey asks a wide range of questions including what type of MVPD service the former customer is currently receiving (*e.g.*, analog cable, digital cable, or satellite). Schedule III.1.1.(iii) reflects the results of these surveys and the sample size, per month for the period from January 2000 through January 2002. Starting in 2002, DIRECTV limited the survey group to subscribers who voluntarily disconnected their service and began reporting this data in graphic format. Schedule III.1.1.(iv) reflects the monthly results of these surveys for the period from January 2002 through May 2003.

DIRECTV does not track migration data at a DMA level, only by survey samples at a national level. Schedules III.1.1(i-iv) are provided electronically and in print.

Response to Interrogatory III.1.m:

Schedule III.1.m reflects the average fixed and variable cost of acquiring a new subscriber, by quarter, for the period from the first quarter of 2000 through the second quarter of 2003. DIRECTV does not track its subscriber acquisition costs (“SAC”) by DMA. DIRECTV

primarily markets its service through nationwide promotions. DIRECTV provides funding to its authorized dealers who in turn have significant flexibility in determining how they market the DIRECTV service. DIRECTV does not track the states or DMAs to which those distributors direct their resources. DIRECTV engages in limited regional promotions, and these promotions constitute a very small part of SAC. DIRECTV does not track this information in the ordinary course of business. Therefore, the attached schedule does not report SAC by DMA. Schedule III.1.m is provided electronically and in print.

2. **Identify for each ZIP code in which Hughes provides MVPD service for each month from January 2000 to the present:**
 - a. **overall subscribers,**
 - b(i) **number of subscribers in each programming package and a la carte channel offering, including all sports programming packages,**
 - b(ii) **gross additions to subscribers during the month,**
 - c. **gross losses of subscribers during the month,**
 - d. **DMA which contains the ZIP code,**
 - e. **whether out-of-market broadcast stations are available,**
 - f. **whether customers are served by NRTC or DirecTV.**

Response to Interrogatory III.2.a:

Schedule III.2.a(i) sets forth the monthly total subscriber data for each zip code from January 2001 through June 2003. This schedule is provided electronically under separate cover. There are two reports; one relates to DIRECTV active subscribers only, and the second relates to NRTC active subscribers. DIRECTV cannot verify the accuracy of the NRTC

numbers. Both organizations use different codes in the billing system, and NRTC may have information on its subscribers which DIRECTV does not. For fully accurate information on NRTC customers, DIRECTV respectfully submits that NRTC is the best source for that information.

Schedule III.2.a(ii)⁸ sets forth the year-end total subscriber data, including both DIRECTV and NRTC subscribers, by zip code for year-end 2000. This schedule is provided electronically under separate cover. As agreed, Hughes is only providing data for 2000 that were submitted to the FCC in the Hughes-EchoStar proceeding. Data for 2000 are provided by year, rather than by month, because, in the Hughes-EchoStar proceeding, Hughes submitted subscriber data by zip code only by year.

Schedules III.2.a(i) and (ii) are provided electronically only.

Response to Interrogatory III.2.b(i):

The Request contains two information requests enumerated III.2.b. Accordingly, this response addresses the first information request so designated.

Schedule III.2.b(i) sets forth, by zip code and month, the number of active residential DIRECTV subscribers. Schedule III.2.b(i) provides totals for all combinations of programming packages, a la carte services, and local channels for the period from January 2001 through June 2003. Schedule III.1.g(ii) explains how the data are presented and provides a

⁸ Schedule III.2.a(ii) was previously submitted to the FCC as Schedule V.A attached to the interrogatory responses dated March 21, 2002 and submitted by Hughes Electronics Corporation and General Motors Corporation in response to the Commission's Initial Information and Document Request dated February 4, 2002 in CS Docket No. 01-348.

legend for abbreviations used in Schedule III.2.b(i). Both schedules are provided electronically under separate cover.

In addition to sorting data by zip code and month, the reports classify data by primary owner (*i.e.*, DIRECTV and NRTC). DIRECTV cannot verify the accuracy of the NRTC numbers. Both organizations use different codes in the billing system, and NRTC may have access to information that DIRECTV does not. For fully accurate information on NRTC customers, DIRECTV respectfully submits that NRTC is the best source for that information.

Response to Interrogatory III.2.b(ii):

The Request contains two information requests enumerated III.2.b. Accordingly, this response addresses the second information request so designated.

Schedule III.2.b(ii) sets forth the monthly gross additions to subscribers for each zip code from January 2000 through June 2003. This schedule is provided electronically. There are two reports; one reflects DIRECTV customer gross additions, and the second reflects NRTC customer gross additions. DIRECTV cannot verify the accuracy of the NRTC numbers. Both organizations use different codes in the billing system, and NRTC may have access to information that DIRECTV does not. For fully accurate information on NRTC customers, DIRECTV respectfully submits that NRTC is the best source for that information.

Response to Interrogatory III.2.c:

Schedule III.2.c sets forth the monthly gross disconnects for each zip code from January 2000 through June 2003. This schedule is provided electronically under separate cover.

There are two reports; one reflects DIRECTV customer gross disconnects, and the second reflects NRTC customer gross disconnects. DIRECTV cannot verify the accuracy of the NRTC numbers. Both organizations use different codes in the billing system, and may and often do calculate and/or designate disconnected, suspended, and other similar customer status issues differently. For fully accurate information on gross disconnects for the NRTC customers, DIRECTV respectfully submits that NRTC is the best source for that information.

Response to Interrogatory III.2.d:

Schedule III.2.d(i) provides data organized by Nielsen that indicate which zip codes are in which DMAs for the years 2000-01, 2001-02 and 2002-03. DIRECTV obtains this information from Nielsen, which updates this data on a yearly basis (every September). This schedule is provided electronically under separate cover. Schedule III.2.d(i) is comprised of six documents, two documents for each year. One document, the Word document, explains how the data is organized in the companion document, which is an Excel spreadsheet. To locate Nielsen's DMA data for year-end September 2001, open the Word document labeled "descriptiondoc.2001." The companion spreadsheet document that it explains is labeled according to year "dmazip2001.xls." Documents for 2002 and 2003 are labeled according to the same format. Except as described below, DIRECTV does not independently track this data.

For those DMAs in which DIRECTV provides local into local service, DIRECTV has developed a database, which is provided electronically as Schedule III.2.d(ii), to track those zip codes within the DMA where local service can be provided. Certain DMAs are not geographically contiguous; they can cover large areas over multiple states. For example, the